

GARY LOCKE
Governor



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Gov. Gary Locke Declares China/Vietnam Trade Mission Huge Success

Millions in Projected Sales Reported for Washington Businesses, Farmers

OLYMPIA – Sept. 27, 2004 – Gov. Gary Locke today announced that his international trade mission to China and Vietnam was extremely successful, with businesses on the mission reporting actual sales of \$1.4 million and an estimated \$41.4 million in projected sales during the next 12 months. Locke led a 26-member delegation of business, agriculture and education leaders from around the state on the 10-day mission.

Accompanying the governor on the mission were Juli Wilkerson, director of the state Department of Community, Trade and Economic Development (CTED); and Valoria Loveland, director of the Washington State Department of Agriculture (WSDA).

The purpose of the mission was to:

- Promote two-way trade;
- Position Washington state as a world leader in two-way trade of goods and services with China and Vietnam;
- Open more trade doors for Washington companies and farmers in both countries;
- Work with key leaders to improve conditions for business;
- Develop personal relationships between the Washington delegation and Chinese and Vietnamese officials;
- Forge close business ties with Chinese and Vietnamese companies; and
- Further trade, education and cultural relations with both countries.

“Washington state understands the essence of good international trade. We’re a world leader in two-way trade of goods and services,” Locke said. “We’re proud of our long-standing connection to China and now our blossoming patterns of international trade and investment are being shaped by our growing friendship with China. We’re also very enthusiastic in building a strong, lasting trade partnership with Vietnam.”

“Healthy trade requires focus on relationships, not just transactions,” he said. “To build strong trade partnerships, there is no substitute for in-person visits and meetings with our partners, face-

to-face. The benefits of our trade partnerships are a direct result of the investments we've been willing to make – investments of time and effort and genuine interest in other countries.”

Two-way trade totaled more than \$97 billion last year overall for Washington – the fourth largest exporting state in the United States. On a per capita basis, Washington has the largest export volume in America and exports goods and/or services to 50 different countries.

This was the first trade mission to Vietnam for the governor. Vietnam shows great promise as a newly emerging market for Washington state products and services. For example:

- In 2003, Washington exported more than any other U.S. state to Vietnam;
- Vietnam now boasts the fastest economic expansion in Asia after China, with average annual growth of 7.4 percent during the past decade;
- In 2003, Vietnam was Washington state's 13th largest export market, with exports exceeding \$735 million; and
- Important opportunities lie in the other key growth sectors such as power generation; transmission and distribution; industrial and packaging machinery; medical equipment; safety and security equipment; and environmental equipment.

In Ho Chi Minh City, Locke and Loveland promoted Washington apples during a visit to the Metro market and the governor also served french fries made from Washington potatoes at a KFC.

“The event exceeded my wildest expectations,” said Pat Boss, executive director of the Washington State Potato Commission speaking about the KFC promotion. “With over 8 million people in Ho Chi Minh City and 80 million in Vietnam, the event was fantastic.”

Washington is the second largest potato growing state and number one producer of french fries in the United States. In 1995, there were no U.S. french fries entering the Vietnam. But last year, Vietnam imported almost 200 metric tons. The majority of those shipments were made in Washington state processing plants and shipped through Washington state ports.

Vietnam is one of the fastest growing and highest value markets for Washington apples. Washington state grows diverse varieties of high quality apples to accommodate diverse world tastes and Washington's apples account for more than 90 percent of all U.S. apple exports – more than 50 percent of U.S. apples are produced in the state.

“The trip to Vietnam with Governor Locke has been a rousing success and genuine boon to the growers of Washington apples,” said mission delegate Tracy King, export director for the Washington Apple Commission. “Having Governor Locke constantly touting the superiority of Washington apples on these trade missions gives us an immeasurable leg up on that competition.”

During the trade mission, Locke and Loveland visited the Vine Wine Boutique in Hanoi, which featured wines from Washington state.

“We were literally surrounded by Washington wine – there was almost an entire wall devoted to it,” Locke said. “We were proud to see our state's wine so prominently displayed in Vietnam. It's further proof that our wine is among the best in the world.”

“Vietnam is a very promising trade market for Washington state, and we expect that to translate into even more sales of Washington wine to that country,” he said.

Locke further promoted Washington wines on the trade mission by presenting bottles to Chinese and Vietnamese officials as gifts and talked about the industry and the awards it has won.

“Once again, I’m extremely pleased with the progress we made on this trade mission. We had great turnouts at our Washington apple and potato promotions in Vietnam and Thailand,” said Loveland. “One of the main purposes of our trip was to meet with foreign and U.S. government officials to advocate for trade policies that will benefit our agriculture and food industry. Thanks to Governor Locke, we were able to meet with the highest government officials to discuss trade issues of mutual benefit.”

Wilkerson echoed Locke’s satisfaction of the mission.

“We were very pleased with the results and with how much our companies were able to accomplish during this trade mission,” she said. “We were again reminded of the importance of face-to-face contact when developing international business relationships and our delegates reported that the meetings and the contacts they made exceeded their expectations.”

Washington state and China share a rich history of business, educational and cultural exchange. In 2003, China was Washington’s third largest export market – exporting more than \$2.3 billion in goods and services, more than any other U.S. state except California and Texas.

Locke has made three trips to China, including this one, since he became governor in 1997: one official trade mission in 1997; a special trip with Boeing in December 2002 to help promote Boeing airplanes, celebrate the 30th anniversary of U.S.-China trade relations and promote Washington companies to assist in preparations for the 2008 Olympics in Beijing; and the most recent in October 2003.

Listed below are examples of successes from Locke’s 2004 international trade mission to China and Vietnam:

- VirtualTek signed an agreement with B-MIPS Co., Ltd., to bring new media technologies to phone service providers in China. VirtualTek, founded in 1997, is one of Washington’s successful and rapidly growing high-technology companies. It has sales offices and affiliates throughout North America, Asia, Europe and Central America and provides new media technologies to Fixed/PHS phone service providers and their customers in China.
- A distributorship agreement was signed between United Coatings and Beijing Zhong Taitong Science and Technology Development Company, which includes sharing market intelligence and protocol support. United Coatings, based in Spokane Valley, has been active in international markets and has been exporting to China, Hong Kong, and Taiwan for about five years. “I am very honored to have been part of this mission, and I wish it wasn’t the last one being led by Governor Locke,” said mission delegate Bill Mann, vice president of international sales for United Coatings. “The coordination and assistance from CTED, along with the genuine support provided by the governor, were outstanding.

Both professionally and personally, the mission was all that I had hoped for, and more. It will certainly have a positive impact on our sales efforts in these international markets.”

- MulvannyG2 and the Xian God Temple Development Company, Ltd., entered into an architectural contract for planning and design of a retail development in China. MulvannyG2 is the 10th largest design firm in the United States. It is one of the fastest growing and has worked in all 50 states, three Canadian provinces, and around the world in Mexico, Puerto Rico, the U.S. Virgin Islands, the United Kingdom, Australia, Malaysia, Taiwan, Guam, South Korea, Japan and China.
- Pierce College and Beijing Foreign Studies University signed an agreement to exchange one faculty member each academic year.

For more information about the China and Vietnam trade mission, visit <http://www.governor.wa.gov/trade/index.htm>.

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